

**Senate File 2354 - Introduced**

SENATE FILE 2354  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO SSB 3210)

**A BILL FOR**

1 An Act relating to campaign finance, including political  
2 campaign activities and independent expenditures by  
3 corporations, and making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.404, Code Supplement 2009, is  
2 amended to read as follows:

3 **68A.404 Independent expenditures.**

4 1. As used in this section, "*independent expenditure*" means  
5 one or more expenditures in excess of one hundred dollars in  
6 the aggregate for a communication that expressly advocates  
7 the nomination, election, or defeat of a clearly identified  
8 candidate or the passage or defeat of a ballot issue that  
9 is made without the prior approval or coordination with a  
10 candidate, candidate's committee, or a ballot issue committee.

11 2. A corporation, prior to making an independent  
12 expenditure, shall obtain the approval of a majority of the  
13 corporation's shareholders for any independent expenditure  
14 to influence public opinion on matters not related to the  
15 corporation's products or services.

16 ~~2.~~ 3. A person, other than a committee registered under  
17 this chapter, that makes one or more independent expenditures  
18 shall file an independent expenditure statement.

19 a. The requirement to file an independent expenditure  
20 statement under this section does not by itself mean that  
21 the person filing the independent expenditure statement is  
22 required to register and file reports under sections 68A.201  
23 and 68A.402.

24 b. This section does not apply to a candidate, candidate's  
25 committee, state statutory political committee, county  
26 statutory political committee, or a political committee.  
27 This section does not apply to a federal committee or an  
28 out-of-state committee that makes an independent expenditure.

29 ~~3.~~ 4. a. An independent expenditure statement shall be  
30 filed within forty-eight hours of the making of an independent  
31 expenditure in excess of one hundred dollars in the aggregate.

32 b. An independent expenditure statement shall be filed with  
33 the board and the board shall immediately make the independent  
34 expenditure statement available for public viewing.

35 c. For purposes of this section, an independent expenditure

1 is made at the time that the cost is incurred.

2 ~~4.~~ 5. The independent expenditure statement shall contain  
3 all of the following information:

4 *a.* Identification of the individuals or persons filing the  
5 statement. In the case of a corporation, the statement shall  
6 disclose the names and addresses of all individual shareholders  
7 and the names and addresses of the shareholders in any  
8 corporation which is itself a shareholder in the corporation  
9 making the independent expenditure.

10 *b.* Description of the position advocated by the individuals  
11 or persons with regard to the clearly identified candidate or  
12 ballot issue.

13 *c.* Identification of the candidate or ballot issue benefited  
14 by the independent expenditure.

15 *d.* The dates on which the expenditure or expenditures took  
16 place or will take place.

17 *e.* Description of the nature of the action taken that  
18 resulted in the expenditure or expenditures.

19 *f.* The fair market value of the expenditure or expenditures.

20 ~~5.~~ 6. Any person making an independent expenditure shall  
21 comply with the attribution requirements of section 68A.405.

22 7. A person making an independent expenditure shall not  
23 engage or retain an advertising firm or consultant that has  
24 also been engaged or retained by the candidate, candidate's  
25 committee, or ballot issue committee that is the subject of the  
26 independent expenditure.

27 ~~6.~~ 8. *a.* The board shall develop, prescribe, furnish, and  
28 distribute forms for the independent expenditure statements  
29 required by this section.

30 *b.* The board shall adopt rules pursuant to chapter 17A for  
31 the implementation of this section.

32 Sec. 2. Section 68A.405, Code Supplement 2009, is amended  
33 to read as follows:

34 **68A.405 Attribution statement on published material.**

35 1. *a.* For purposes of this subsection:

1     (1) "*Individual*" includes a candidate for public office  
2 who has not filed a statement of organization under section  
3 68A.201.

4     (2) "*Organization*" includes an organization established to  
5 advocate the passage or defeat of a ballot issue but that has  
6 not filed a statement of organization under section 68A.201.

7     (3) "*Published material*" means any newspaper, magazine,  
8 shopper, outdoor advertising facility, poster, direct mailing,  
9 brochure, internet website, campaign sign, or any other form  
10 of printed general public political advertising. "Published  
11 material" includes television, video, or motion picture  
12 advertising.

13     **b.** Except as set out in subsection 2, published material  
14 designed to expressly advocate the nomination, election,  
15 or defeat of a candidate for public office or the passage  
16 or defeat of a ballot issue shall include on the published  
17 material an attribution statement disclosing who is responsible  
18 for the published material.

19     **c.** If the person paying for the published material is an  
20 individual, the words "paid for by" and the name and address of  
21 the person shall appear on the material.

22     **d.** If more than one individual is responsible, the words  
23 "paid for by", the names of the individuals, and either the  
24 addresses of the individuals or a statement that the addresses  
25 of the individuals are on file with the Iowa ethics and  
26 campaign disclosure board shall appear on the material.

27     **e.** If the person responsible is an organization, the words  
28 "paid for by", the name and address of the organization, and  
29 the name of one officer of the organization shall appear on the  
30 material.

31     **f.** If the person responsible is a corporation the material  
32 shall contain a statement that does all of the following:

33         (1) Identifies the chief executive officer of the  
34 corporation by name.

35         (2) Identifies how much of the corporation's general

1 treasury was expended in aggregate on the published material.

2 (3) Certifies the chief executive officer's personal  
3 conclusion that making the expenditure for the published  
4 material from the corporation's general operating funds  
5 significantly advances the corporation's business interest.

6 ~~f.~~ g. If the person responsible is a committee that has  
7 filed a statement of organization pursuant to section 68A.201,  
8 the words "paid for by" and the name of the committee shall  
9 appear on the material.

10 2. The requirement to include an attribution statement does  
11 not apply to any of the following:

12 a. The editorials or news articles of a newspaper or  
13 magazine that are not paid political advertisements.

14 b. Small items upon which the inclusion of the statement is  
15 impracticable including, but not limited to, campaign signs,  
16 bumper stickers, pins, buttons, pens, political business cards,  
17 and matchbooks.

18 c. T-shirts, caps, and other articles of clothing.

19 d. Any published material that is subject to federal  
20 regulations regarding an attribution requirement.

21 e. Any material published by an individual, acting  
22 independently, who spends one hundred dollars or less of the  
23 individual's own money to advocate the passage or defeat of a  
24 ballot issue.

25 3. For television, video, or motion picture advertising,  
26 the attribution statement shall be displayed on the screen in a  
27 clearly readable manner for at least four seconds.

28 ~~3.~~ 4. The board shall adopt rules relating to the placing  
29 of an attribution statement on published materials.

30 Sec. 3. Section 68A.503, Code Supplement 2009, is amended  
31 by striking the section and inserting in lieu thereof the  
32 following:

33 **68A.503 Financial institution, insurance company, and**  
34 **corporation contributions prohibited.**

35 1. Except as provided in subsections 3, 4, 5, and 6, an

1 insurance company, savings and loan association, bank, credit  
2 union, or corporation shall not make a monetary or in-kind  
3 contribution to a candidate or committee except for a ballot  
4 issue committee.

5 2. Except as provided in subsection 3, a candidate or  
6 committee, except for a ballot issue committee, shall not  
7 receive a monetary or in-kind contribution from an insurance  
8 company, savings and loan association, bank, credit union, or  
9 corporation.

10 3. An insurance company, savings and loan association,  
11 bank, credit union, or corporation may use money, property,  
12 labor, or any other thing of value of the entity for the  
13 purposes of soliciting its stockholders, administrative  
14 officers, and members for contributions to a political  
15 committee sponsored by that entity and for financing the  
16 administration of a political committee sponsored by that  
17 entity. The entity's employees to whom the foregoing authority  
18 does not extend may voluntarily contribute to such a political  
19 committee but shall not be solicited for contributions. A  
20 candidate or committee may solicit, request, and receive money,  
21 property, labor, and any other thing of value from a political  
22 committee sponsored by an insurance company, savings and loan  
23 association, bank, credit union, or corporation as permitted  
24 by this subsection.

25 4. The prohibitions in subsections 1 and 2 shall not apply  
26 to an insurance company, savings and loan association, bank,  
27 credit union, or corporation engaged in any of the following  
28 activities:

29 a. Using its funds to encourage registration of voters and  
30 participation in the political process or to publicize public  
31 issues.

32 b. Using its funds to expressly advocate the passage or  
33 defeat of ballot issues.

34 c. Using its funds to place campaign signs as permitted  
35 under section 68A.406.

1     *d.* Using its funds for independent expenditures as provided  
2 in section 68A.404.

3        5. The prohibitions in subsections 1 and 2 shall not  
4 apply to media organizations when discussing candidacies,  
5 nominations, public officers, or public questions. The board  
6 shall adopt rules prohibiting the owner, publisher, or editor  
7 of a sham newspaper from using the sham newspaper to promote  
8 in any way the candidacy of such a person for any public  
9 office. As used in this subsection, "sham newspaper" means  
10 a newspaper that does not meet the requirements set forth in  
11 section 618.3 and "owner" means a person having an ownership  
12 interest exceeding ten percent of the equity or profits of the  
13 newspaper.

14       6. The prohibitions in subsections 1 and 2 shall not  
15 apply to a nonprofit organization communicating with its own  
16 members. The board shall adopt rules pursuant to chapter 17A  
17 to administer this subsection.

18       7. For purposes of this section "*corporation*" means a  
19 for-profit or nonprofit corporation organized pursuant to the  
20 laws of this state, the United States, or any other state,  
21 territory, or foreign country.

22       Sec. 4.   Section 490.120, Code 2009, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 13. The document must contain a statement  
25 that the corporation agrees to refrain from any campaign  
26 activities prohibited under chapter 68A.

### EXPLANATION

28       This bill relates to campaign finance, including independent  
29 expenditures, published materials, and contributions by  
30 corporations and other entities.

31 Code section 68A.404 currently contains restrictions  
32 on independent political campaign expenditures. This bill  
33 adds a number of provisions relating to such expenditures  
34 by corporations and others. Prior to making an independent  
35 expenditure, a corporation is required to obtain the approval

1 of a majority of the shareholders for any such expenditure not  
2 related to the company's products or services. Corporations  
3 must file an independent expenditure statement with the ethics  
4 and campaign finance disclosure board which discloses the names  
5 and addresses of all individual shareholders and the names  
6 and addresses of the shareholders in any corporation which is  
7 itself a shareholder in the corporation making the independent  
8 expenditure.

9     The bill prohibits a person making an independent  
10 expenditure from engaging or retaining an advertising firm  
11 or consultant that has also been engaged or retained by the  
12 candidate, candidate's committee, or ballot issue committee  
13 that is the subject of the independent expenditure.

14     Code section 68A.405 requires attribution statements on  
15 certain campaign material. For corporations, the bill requires  
16 these statements to identify the chief executive officer of the  
17 corporation by name, identify how much of the corporation's  
18 general operating funds were expended in aggregate on the  
19 published material, and certify the chief executive officer's  
20 personal conclusion that making the expenditure for the  
21 published material from general treasury funds significantly  
22 advances the corporation's business interest.

23     The bill requires attribution statements on television,  
24 video, or motion picture advertising. Such statements must be  
25 displayed on the screen in a clearly readable manner for at  
26 least four seconds.

27     Code section 68A.503 currently prohibits an insurance  
28 company, savings and loan association, bank, credit union,  
29 or corporation from making any contribution to a political  
30 or candidate's committee, or to expressly advocate for the  
31 election or defeat of a candidate for public office. These  
32 entities may request that stockholders, officers, and employees  
33 contribute to a political action committee. Contributions on  
34 franchise elections or ballot issues are allowed. Candidates  
35 and committees are prohibited from accepting any contributions



1 from these entities.

2 Code Section 68A.503 is rewritten to prohibit an insurance  
3 company, savings and loan association, bank, credit union, or  
4 corporation from making a monetary or in-kind contribution  
5 to a candidate or other committee, except a ballot issue  
6 committee, and prohibits such a candidate or other committee  
7 from receiving such a monetary or in-kind contribution.

8 An insurance company, savings and loan association, bank,  
9 credit union, or corporation may solicit its stockholders,  
10 administrative officers, and members, but not its employees,  
11 for contributions to a political committee that it sponsors  
12 and for financing the administration of a political committee  
13 sponsored by that entity.

14 An insurance company, savings and loan association, bank,  
15 credit union, or corporation may use its funds to encourage  
16 registration of voters and participation in the political  
17 process or to publicize public issues; use its funds to  
18 expressly advocate the passage or defeat of ballot issues; use  
19 its funds to place campaign signs relating to ballot issues;  
20 or use its funds to make independent expenditures as provided  
21 in the bill.

22 Code section 490.120 sets out the requirements for filing  
23 corporate documents with the secretary of state. The bill  
24 requires that such documents contain a statement that the  
25 corporation agrees to refrain from any prohibited campaign  
26 activities.

27 Any person who willfully violates any provisions of Code  
28 chapter 68A commits a serious misdemeanor.